

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 3166-01  
Bill No.: SB 774  
Subject: Housing: Fees, Recorder of Deeds  
Type: Original  
Date: February 26, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Lifetime Home	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials of the **Office of State Treasurer** assume this legislation would be administered the same as the Missouri Housing Trust Fund (Section 215.034). Assuming this is correct, there would be no fiscal impact to the State Treasurer's Office.

Officials of the **Department of Economic Development - Housing Commission** assume that MHDC would require (1) housing development officer and (1) Auditor Inspector to administer the Lifetime Home Fund program. The housing development officer would be responsible for the overall administration of this program and the Auditor Inspector would be responsible for ensuring that the housing built meets the accessibility guidelines in the legislation. **The costs for the housing development officer are prorated between recording fees and General Revenue funds because MHDC is limited to using 2% of the recording fees for administration. The costs for the remainder of the housing development officer and the Auditor Inspector are shown as General Revenue costs.**

ASSUMPTION (continued)

Officials estimate Personal Services cost for 2 FTE for 10 months of FY 2005 at \$68,333, and for FY 2006 cost is estimated at \$84,050, and at \$86,151 in FY 2007. Fringe Benefit costs are estimated to be \$28,290 in FY 2005; and \$34,797 in FY 2006; and \$35,667 in FY 2007. Equipment and Expense total \$16,611 in FY 2005; and \$5,768 in FY 2006 and \$5942 in FY 2007.

Officials estimate income from the \$1 fee for 10 months of FY 2005 at \$1,638,890; and in FY 2006 at \$1,966,666; and \$1,966,666 in FY 2007.

**Oversight assumes that the provisions of Section 215.264.2 states that “all administrative costs of the Lifetime Home Program incurred by the Missouri Housing Development Commission shall be paid from this fund, which costs annually shall not exceed two percent of the net annual revenues received into the fund”. Therefore, Oversight will show costs to the fund of 2% of the net annual received into the fund. Oversight will show no costs to the State’s General Revenue Fund. Any costs in excess of 2% would have to be obtained by the Missouri Housing Development Commission during the annual appropriation process.**

Officials of the **Department of Revenue** assume no fiscal impact from this proposal.

Officials of the **Boone County Recorder of Deeds** assumes many counties would have to re-program to calculate the new fee and reformat new reports. Some county systems are not expandable, and could have substantial costs.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**LIFETIME HOME FUND**

<b><u>Income</u></b> to Lifetime Home Fund from \$1 recording fee	\$1,638,890	\$1,966,666	\$1,966,666
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<b><u>Cost</u></b> to Lifetime Home Fund Administration cost of 2% of Income.	(\$32,778)	(\$39,333)	(\$39,333)
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<b><u>Cost</u></b> to Lifetime Home Fund \$5000 grant money for homes beginning January 1, 2004	<u>(\$1,606,112)</u>	<u>(\$1,927,333)</u>	<u>(\$1,927,333)</u>
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**ESTIMATED NET EFFECT TO  
LIFETIME HOME FUND**

**\$0**

**\$0**

**\$0**

**FISCAL IMPACT - Local Government**

FY 2005  
(10 Mo.)

FY 2006

FY 2007

**COUNTIES**

**Cost** to Recorder of Deeds  
programming upgrades

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO  
LOCAL GOVERNMENT \***

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\* Oversight assumes costs to Recorder of Deeds, on a statewide basis, would not exceed \$100,000.**

**FISCAL IMPACT - Small Business**

No direct fiscal impact to small businesses would be expected as a result of this proposal.

**DESCRIPTION**

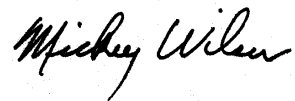
This act establishes the lifetime home grant program. Under this act, an additional fee of \$1 will be charged on real estate instruments. These additional fees will be deposited in a newly created fund known as the Lifetime Home Fund. This fund shall be administered by the Missouri Housing Development Commission. Beginning January 1, 2005, individuals who build a universally designed lifetime home may apply for a payment from the fund in the amount of \$5,000. This act also allows an individual to qualify for a lifetime home grant, up to \$5,000, by renovating a qualified existing residence.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of State Treasurer  
Department of Revenue  
Department of Economic Development - Housing Commission  
Boone County Recorder of Deeds

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 26, 2004